DOCUMENT RESUME

ED 103 701 CE 003 314

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TITLE Consumer Concerns.
INSTITUTION New York State Education Dept., Albany. Bureau of Secondary Curriculum Development.
PUB DATE [74]
NOTE 55p.

EDRS PRICE MF-$0.76 HC-$3.32 PLUS POSTAGE
DESCRIPTORS *Consumer Education; Course Content; Course Objectives; *Curriculum Guides; Economic Education; *Learning Activities; Resource Units; Secondary Education

ABSTRACT

The module deals mainly with some of the service problems experienced by consumers, examines the causes of some problems, and suggests some solutions, attempting to present the standpoint of the producer as well as the buyer and user. The module may be presented as a semester or part semester course. Organized by expected student understandings, suggested pupil and teacher activities, and sources, the module explores the following areas: safety; some important consumer hazards; what the U. S. Consumer Safety Commission is doing about hazards; consumer concerns; reaction to consumer problems; the single biggest consumer concern (inflation accompanied by recession); how consumers can measure increases or decreases in the price of living; why consumers should be concerned with costs of medical care; consumer concerns regarding repairs and service; misleading advertising and what business is doing about it; industry's response to consumer complaints; the answer to the problem of unsatisfied consumers; how the consumer can make wise choices; the responsiveness of business to complaints; how to make a complaint; what the Federal Trade Commission is doing to help consumers fight deceptive advertising; and other agencies that protect the consumer. (Author/NH)

# CONSUMER CONCERNS

one of a series for expanded programs in CONSUMER EDUCATION

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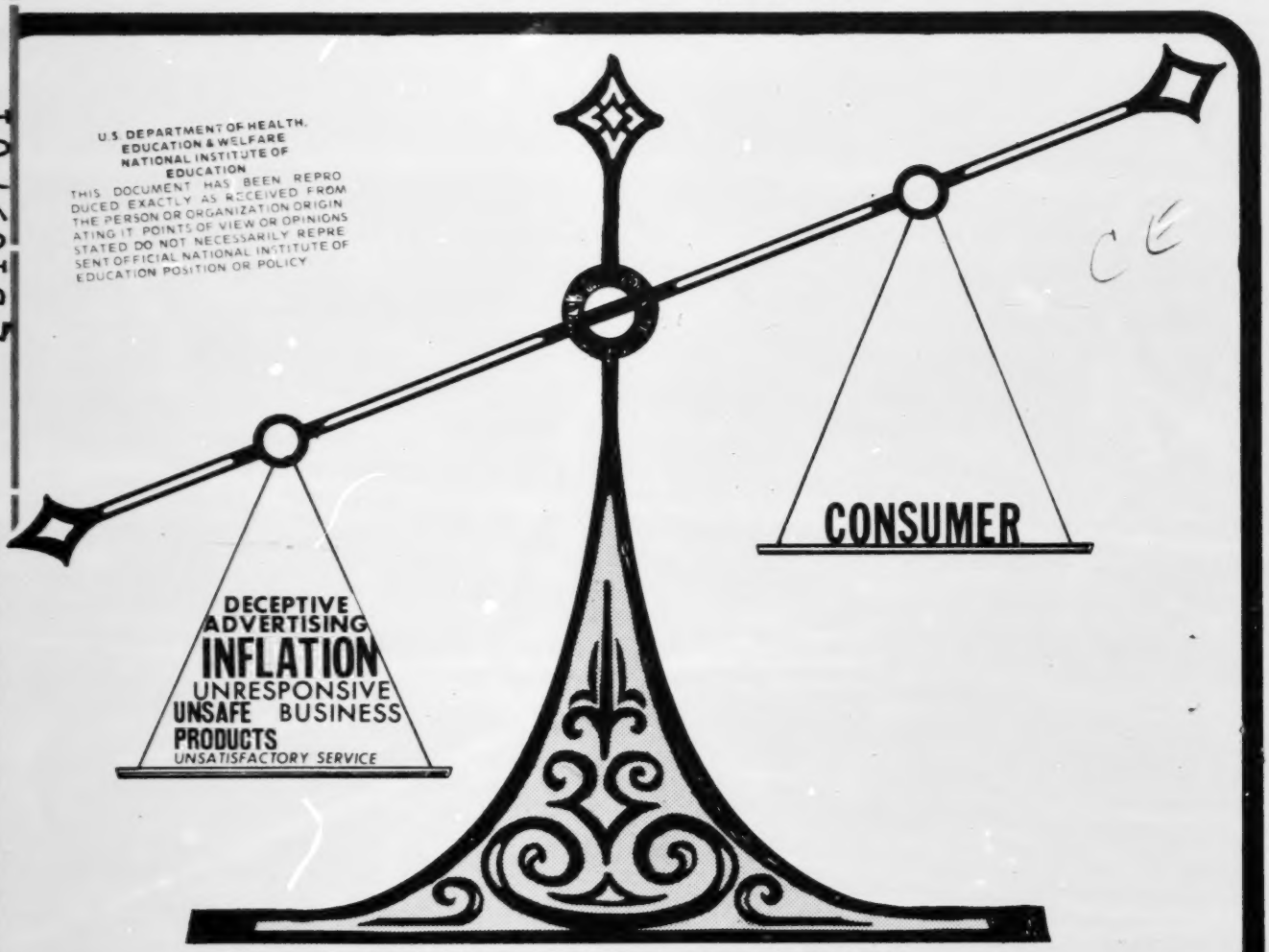


## LET'S BALANCE THE SCALES

The University of the State of New York/THE STATE EDUCATION DEPARTMENT

CE003 374

CONSUMER CONCERNS

One of a series for Expanded Programs in Consumer Education

The University of the State of New York/The State Education Department
Bureau of Secondary Curriculum Development/Albany/1974

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# FOREWORD

In 1967, the State Education Department published "Consumer Education—Materials for an Elective Course." This material has since been introduced into more than 800 of the New York State high schools. As a result of the interest in Consumer Education in the State and Nation, the Department has begun the preparation of a series of modules — Expanded Programs of Consumer Education. This module, Consumer Concerns, is the 16th to be produced. Those already distributed are:

Consumer Issues and Action
Consumer Problems of the Poor
The Consumer and His Health Dollar
The Consumer and Recreation
Education and the Consumer
The Consumer and Transportation
The Consumer Looks at His Automobile Insurance
Beauty Products and the Consumer
Taxes and the Consumer
Credit and the Consumer
Coping With the Problems of a Technological Age
Travel and the Consumer
Law and the Consumer
Food: Facts and Fancies
Cars, Cycles, and Consumers

It is expected that other modules will be produced in these fields:

Banking
Housing

Nothing touches the lives of the disadvantaged more than the constant struggle to stretch limited financial resources to meet the increasing costs of living. These modules are designed in the hope that they will help the poor to make better use of their income, as well as with the expectation that those of higher income will be more understanding of their own problems and of the problems of their fellow citizens.

Unlike the original syllabus, where 12 units covering various phases of Consumer Education were bound together, the modules in Expanded Programs of Consumer Education are being prepared as separate publications to provide greater flexibility. Each of the modules in the series may be used as a discrete unit or with other units in the series. The modules may be presented as a semester or part of a semester course or in conjunction with the original syllabus which covers such areas as the purchase of food; shelter; appliances; automobiles; and a consideration of credit; money management; fraud, quackery, and deception; banking and savings; life and health insurance; security programs; and consumer law.

It is hoped that the presentation of the modules as separate publications will tend toward flexibility in their use as mini-courses in such fields as social studies, business education, home economics, industrial arts, agriculture, and other areas of the curriculum.

The suggestions to the teacher found in "Consumer Education — Materials for an Elective Course," pages 1-4, apply equally to each of these modules. The reaction and suggestions of those using these materials in the field will be helpful to the Department in planning further materials for Consumer Education and in making necessary revisions of the material.

Hillis K. Idleman, associate in secondary curriculum development wrote and prepared the module for publication.

GORDON E. VAN HOOFT
Director, Division of
Curriculum Development

CONTENTS


| | Page |
|---|---|
| Foreword | iii |
| Introduction | 1 |
| Safety | 3 |
| What Are Some of the Important Consumer Hazards? | 4 |
| What Is the U.S. Consumer Safety Commission Doing About Hazards? | 10 |
| Consumer Concerns | 13 |
| Reaction to Consumer Problems | 16 |
| What Is the Biggest Single Consumer Concern? | 18 |
| How Can Consumers Measure Increases or Decreases in the Price of Living? | 21 |
| Why Should Consumers Be Concerned With the Costs of Medical Care? | 22 |
| What Consumer Concerns Are There With Repairs and Service? | 25 |
| Is There a Problem of Misleading Advertising? | 28 |
| What Is Business Doing About Deceptive Advertising? | 30 |
| Industry's Response to Consumer Complaints | 31 |
| On the Other Hand — | 33 |
| What Is the Answer to the Problem of Unsatisfied Consumers? | 35 |
| How Can the Consumer Make Wise Choices in a Bewildering World of Rapidly Changing Products? | 36 |
| Is Business Responsive to Complaints? | 41 |
| How To Make a Complaint | 42 |
| What Is the Federal Trade Commission Doing To Help Consumers Fight Deceptive Advertising? | 43 |
| What Other Agencies Protect the Consumer? | 47 |

# INTRODUCTION

No concern of consumers is more frequently voiced than that of the inferior quality of goods purchased and the high cost of repairs of such goods. Each one of us has his own story of an expensive purchase that failed to give what might be considered reasonable service. Whether it is a small appliance such as a toaster or coffee pot, a major purchase such as an automobile, stereo, or color TV set, the consumer frequently feels disappointed that it has failed to perform as expected. Service, too, is a growing problem. The shortage of qualified mechanics and the high cost of such service are both criticized.

This module will deal with some of the service problems of consumers, will examine the causes of some problems, and will suggest some solutions. Then, too, the module will attempt to present both sides of the argument — those of the producer or service agent as well as those who buy and use the products of our producers. Producers of goods and services are becoming more aware of consumer complaints and are increasingly responding to these concerns. Whereas at one time the consumer's complaint was dismissed with a cavalier wave, now companies have set up special arrangements not only to handle complaints but indeed to solicit such expressions. Companies vie with each other to assure the consumer of the company's desire to give full satisfaction. Advertisements urge consumers to ask for their money back if displeased, or to use toll free telephone lines to inform management of dissatisfaction. Management, which once insulated itself against grievances, now makes itself easy to reach. Indeed the situation has changed drastically from the "public be dammed" days of the robber barons.

Still the question remains whether such protestations of interest on the part of business are genuine and from the heart or whether they are merely cosmetic. Probably the percentage of honorable merchants and manufacturers is not greatly different from the percentage of honorable consumers. Consider the two quotations which follow. One represents the savage, ruthless point of view exemplified by some vendors; the other is an expression of pride in workmanship and concern for consumers exemplifying the enlightened viewpoint of a growing number of manufacturers who find that operating on a high social and moral plane is also good business:

> "Poker's own brand of ethics is different from the ethical ideals of civilized human relationships. The game calls for distrust of the other fellow. It ignores the claim of friendship. Cunning deception and concealment of one's strengths and intentions, not kindness and open-heartedness, are vital in poker. No one thinks any the worse of poker on that account. And no one should think any the worse of the game of business because its standards of right and wrong differ from the prevailing traditions of morality in our society."
> — Albert Z. Carr in Harvard Business Review. Quoted in Consumer Reports, March 1972.

"I will never put my name on a plow that does not have in it the best that is in me."
—— John Deere

Consumers will always need the protection of regulatory agencies to protect them against the predators in the business world; but they need also to support and protect from over-regulation those merchants who deal on the high moral plane as expressed by John Deere.

One of the most remarkable aspects of the consumer movement is that it is examining the industrial performance not only with an eye on the price tag but equally with an eye on the social context of how well industry is meeting societal needs. Today's consumer is troubled about the safety of products, the completeness of information furnished, and their performance. But he is also concerned about the employment practices of industry, the pollution created by manufacturers, and even the social relevance of industry. Such concerns are being voiced privately and publicly. They are heard in legislative halls and at stockholders' meetings.

Consumers are concerned about every aspect of production and service. They express their concerns on almost every aspect of consumer expenditure, ranging from the high cost of being born or dying, to complaints of unsatisfactory service on cars and appliances. Happily, their concerns have not gone unheard for more and more branches of industry are responding in unprecedented fashion. Automobile makers vie with each other in describing steps they have taken to resolve consumer complaints. Appliance and furnishing groups have set up consumer panels which go beyond complaint-handling. Some of these agencies advise the industry on ways to improve their products or service, or suggest informative manuals on the purchase, use, and care of appliances.

Yet much remains to be done. There are still too many legitimate consumer problems, still too many unsolved conflicts, still too much deserved suspicion of industry, still too many who feel helpless against the power of a big corporation.

What is the attitude of business toward improving the situation?

Most enlightened businessmen applaud attempts to improve product safety and useability. They exhort their fellow members to maintain high standards of business ethics.

In 1973 a study committee of the U.S. Chamber of Commerce deplored "the tardiness of business in responding constructively" to consumers' criticism. The committee called on business "to expand information regarding safety, performance, and desirability of products."

Whether this change takes place because of the enlightened self-interest of business, or as a result of consumer and legislative pressure, it seems obvious that increasingly business will be held accountable for fairer treatment of consumers.

## SAFETY

No consumer problem is of greater concern than that of safety. So great a problem is this that Congress was moved to pass the Consumer Product Safety Act in 1972. The members of Congress had determined after extensive investigation and hearings that:

- There are an unacceptable number of consumer products which present unreasonable risks of injury
- The complexities of consumer products frequently result in an inability of users to anticipate risks and to safeguard themselves adequately
- The public should be protected against unreasonable risks of injury associated with consumer products.

In order to better protect the public, Congress created the Consumer Product Safety Commission. Among the duties of this Commission are these:

- To alert, investigate, and analyze the causes of death and injury related to consumer products
- Test consumer products
- Develop safety standards and test methods
- Ban hazardous products
- Promulgate safety standards and rules.

Since the creation of the Consumer Product Safety Commission, the agency has been very active in investigating hazards, holding hearings, and issuing regulations.

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| . WHAT ARE SOME OF THE MORE IMPORTANT CONSUMER HAZARDS? | . Ask the class members to develop their own lists of possibly hazardous practices and materials commonly employed by consumers. Note that by law the Product Safety Commission does not deal with certain hazards regulated by other agencies such as automobile or boat safety, use of drugs and tobacco, aircraft, or food. | . "A Compilation of Laws Administered by the U.S. Consumer Product Safety Commission." U.S. Product Safety Commission, Washington, D.C. 20207. |
| . Crib-related infant deaths. | . Do pupils, their parents, or friends know of instances where babies have been injured by a crib? Should the government regulate (as it does) the dimensions and construction of cribs? | . An estimated 150 to to 200 crib-related infant deaths occur annually; 50,000 non-fatal crib-related injuries require medical care each year. (These figures do not include fatalities from the "sudden infant death" syndrome.) |
| . Fabric flammability | . Most injuries resulting from burns caused by inflammable fabrics are caused by carelessness, such as smoking in bed, backing up to a stove with one or more burners turned on, or reaching over an open flame. Since the consumer is often at fault, should the government control the flammability of garments and mattresses? Is it the responsibility of government to make products not only fool-proof, but "damn-fool" proof? | . Each year there are 3,000 to 5,000 deaths and 150,000 to 250,000 injuries from burns associated with flammable fabrics. During the past several years Federal and state governments have taken steps to reduce this toll by setting flammability standards and informing the public of the hazards associated with flammable fabrics.<br>. Fourth Annual Report to the President and the Congress on the Studies of Deaths, |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | | Injuries, and Economic Losses Resulting From Accidental Burning of Products, Fabrics, or Related Materials, Fiscal Year 1972," Bureau of Product Safety, Food and Drug Administration, Department of Health, Education, and Welfare |
| . Flammable liquids | . Have students relate instances of injury resulting from flammable liquids. Common instances of such injuries are those resulting from:<br>- fats or oils that ignite on the stove<br>- flash fires caused by pouring flammable liquids on charcoal fires that are apparently out<br>- using flammable liquids such as gasoline, kerosine, or paint remover in confined spaces<br>- swallowing flammable liquids.<br><br>. What rules do pupils suggest regarding the use of flammable liquids? | . The U.S. Consumer Product Safety Commission estimates that 25,000 people each year require hospital emergency room treatment for injuries involving flammable liquids. More than 13,500 of these injuries are related to gasoline, and most of those are burns caused by fire or explosion.<br><br>. One of the most common--and often forgotten--ignition sources is the pilot light of a water heater or gas stove. Lighted cigarettes and matches are also dangerous around flammable liquids. In cases of clothing ignition, the presence of a flammable liquid makes the resulting burn much more severe.<br><br>. Most of the kerosene-related injuries involve poisoning when children swallow it. The children gag on the fuel and some of it gets into their |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | | lungs. Even a teaspoonful can cause death. (This is also a hazard associated with siphoning gasoline by mouth.) |
| . Playground equipment | . Have pupils report on accidents resulting from the use of playground equipment. To their knowledge are such accidents common? What rules for use of such equipment should be established?<br><br>. Have pupils examine the playground equipment on their own grounds, on the grounds of neighbors, or on the grounds of a neighborhood elementary school or municipal playground. Report on the condition of the equipment. Were swings or slides hazardous? Were bolts loose? Had rust or rot made the potential for accidents great? If so, what steps should be taken to improve the situation? | . The U.S. Consumer Product Safety Commission has estimated that more than 100,000 individuals are injured annually in accidents involving public and home playground equipment--injuries so serious that they require hospital emergency room treatment. Most of those injured are children between the ages of 5 and 10.<br><br>. "Playground Material," Fact Sheet #22, U.S. Consumer Product Safety Commission, Washington, D.C. |
| . Tricycles | . Most of us would not consider a child's plaything such as a tricycle as hazardous. Consider these factors which often lead to accidents:<br>- poor construction or design -- This includes breakage while in use; sharp edges or points<br>- instability which causes a tricycle to tip over, often at the time of sharp turn or speeding up | . The U.S. Consumer Product Safety Commission estimates that approximately 11,000 persons each year sustain tricycle-related injuries serious enough to require hospital emergency room treatment. |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | - striking obstacles and colliding with other tricycles<br>- inability to stop the tricycle, usually because tricycles are designed without brakes<br>- entanglement in the tricycle's moving parts. | |
| | . Appoint a committee to set up guidelines for those purchasing tricycles. Consider appropriate size for child, stability, sharp, protruding edges, non-slip pedals and handgrips. | . "Tricycles," Fact Sheet #15, U.S. Consumer Product Safety Commission. |
| | . What rules would the class suggest for use and maintenance of a tricycle? | |
| . Glass doors and windows | . Since glass doors and windows apparently constitute such a hazard about the home, what precautions regarding their use does the class suggest? Investigate the four types of safety glazing material available. (tempered glass, laminated glass, wire glass, rigid plastic) | . The U.S. Consumer Product Safety Commission estimates that more than 183,000 people each year require hospital emergency room treatment for injuries associated with glass doors and windows. |
| | . Should the government require safety glazing in sliding doors, fixed glass panels, storm doors, and bathtub and shower enclosures? Should the homeowner be permitted to retain the more hazardous (and cheaper) glass if he so desires? | . "Glass Door Injuries and Their Control," DHEW Publication No. (HSM) 72-10007, U.S. Department of Health, Education and Welfare, 1972<br>. "Glass Doors," Consumer Reports, March 1965, pp. 121-23 |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | . Draw up a list of safety precautions for adults and children when exposed to the hazards of glass doors and windows. | . "Glass Door Safety: A Progress Report," Glass Digest, March 1964, Architectural Aluminum Manufacturers Association, Chicago, Illinois<br>. Morse, Ralph, "Consumer Watch: The Danger of Glass Doors," Parade, April 1, 1973, pp. 6-7<br>. "People Who Live in Glass Houses," Home Safety Program Guide Vol. 11, National Safety Council, Chicago, Illinois |
| . Bicycles | . These case histories illustrate the major accident patterns associated with bicycles. They are:<br>- loss of control -- This occurs because of difficulty in braking; riding too large a bike; riding double on banana seats, rear fenders, handlebars, or the horizontal top tube on a man's bike; stunting; and striking a rut, bump, or obstacle<br>- mechanical and structural problems -- These include brake failure; wobbling or disengagement of the wheel or steering mechanism; difficulty in shifting gears; chain slippage; pedals falling off; and spoke breakage | . The U.S. Consumer Product Safety Commission estimates that nearly 419,000 persons suffered bicycle-related injuries serious enough to require hospital emergency room treatment in 1973.<br>. "All About Bikes," Bicycle Safety Campaign Materials (especially fact sheets), National Safety Council, Chicago, Illinois 60611, 1973<br>. "Bicycle Safety Program Aids," American Automobile Association, Washington, D.C. 20006 |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | - entanglement of a person's feet, hands, or clothing in the bicycle<br>- foot slippage from pedal<br>- collision with a car or another bicycle. | . "Bicycles," Safety Education Data Sheet No. 1 Revised, Stock No. 429.04, National Safety Council, Chicago, Illinois 60611 |
| | . To make bicycles safer, the U.S. Consumer Product Safety Commission is developing a mandatory safety standard for bicycles which will eliminate thousands of injuries each year due to mechanical and structural failures. The Commission has the power to ban new bicycles that don't meet the standards. | . Brezina, E. and Kramer, M., "An Investigation of Rider, Bicycle and Environmental Variables in Urban Bicycle Collisions," Technical Bulletin SE-70-01, Ontario Department of Transport, October, 1970 |
| | . What can be done to make bicycle riders more careful? Should they be licensed as automobile drivers are, and penalized for unsafe practices? | . Campbell, B.J., et. al., "Bicycle Riding and Accidents Among Youths: A Summary Report," The University of North Carolina Highway Safety Research Center, Chapel Hill, N.C., 1971 |
| . Kitchen ranges | . Gather examples of accidents that have occurred in connection with kitchen ranges. Make a bulletin board display of these examples. They might include examples such as the following:<br>- clothing catching on fire<br>- burns from escaping steam<br>- children inadvertently turning on the knobs and allowing gas to escape or causing a fire<br>- explosion caused by the pilot light going out followed by | . The U.S. Consumer Product Safety Commission estimates that more than 20,000 people require hospital emergency room treatment each year for injuries involving gas and electric ranges. Gas ranges outnumber electric ranges by a ratio of more than two to one in these accidents. The elderly and the very young are frequently involved. |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | an explosion from a spark or flame.<br>. Have students draw up proposed regulations which might reduce the number of such accidents. Also have them draw up a "user's" manual to insure safe operation of ranges. | . "Burns From Explosion or Flash Flame from Accumulation of Gas in the Oven of a Domestic Gas Range," Inquiry Study Unit, Denver, Colorado, (Jan. 1968)<br>. Vickers, Allan K., "Kitchen Ranges and Fabric Fires," National Bureau of Standards Technical Note 817 (April 1974) |
| . Other hazards | . Have students list other potential hazards and suggest the causes of the accident and steps that both manufacturers and users could take to eliminate such accidents. Among areas to consider are these: infant falls, TV fire and shock hazards, fireworks, dangers of carbon monoxide, hazards of extension cords and wall outlets, pesticides, poisonous household products, bathtub and shower injuries, fires involving tents, hazards of stairs, hazards of swimming pools. | . Secure the following "Fact Sheets" from U.S. Product Safety Commission, Washington, D.C. 20207:<br>- #20, Infant Falls<br>- #11, TV Fires and Shock Hazards<br>- #12, Fireworks<br>- #13, Carbon Monoxide<br>- #16, Extension Cords and Wall Outlets<br>- #18, Insecticides and Pesticides<br>- #27, Poisonous Household Products<br>- #3, Bathtub and Shower Injuries<br>- #4, Tent Flammability<br>- #6, Stairs, Ramps, Handrails, and Landings<br>- #8, Swimming Pools. |
| . WHAT IS THE U.S. CONSUMER PRODUCT SAFETY COMMISSION DOING ABOUT HAZARDS?<br>- The Product Safety Commission has been extremely active in promoting consumer interests. | . Discuss the steps consumers can take to assist the Product Safety Commission. These include the following:<br>- If you have a complaint about the safety of a consumer product or if you | . "Your Voice Counts," U.S. Product Safety Commission.<br>. Once the Commission receives a consumer complaint, the various Bureaus of the agency move into action. Local Commission |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | have sustained a product-related injury, you can call the U.S. Consumer Product Safety Commission any time, from anywhere in the continental United States, toll free. Simply dial: 800:638-2666.<br>- Consumers can play many roles in the regulatory activities of the Commission. The Consumer Product Safety Commission invites consumers to participate in the standards-setting procedures of the Commission. The opinions of the consumers are sought, both formally and informally, at every point in the development of safety standards: at information gathering hearings, at meetings between Commission officials and industry, and during periods of open comment on proposed standards.<br>- The Consumer Product Safety Act includes a unique provision that any interested person can petition the Commission to begin proceedings to issue, amend or revoke a consumer product safety rule. | inspectors obtain samples of the product for evaluation and testing by the Bureaus of Engineering Sciences or Biomedical Sciences. The Bureau of Epidemiology reaches into the computer for any records of injuries associated with that particular product or hazard.<br>If the Commission officials decide that the product presents a substantial product hazard, the manufacturer is informed. The manufacturer may be expected to notify all purchasers, to repair or replace the product, to refund the purchase price, or even to remove the product from the marketplace. If measures are not taken immediately to correct the defect, the Commission has the legal authority to take appropriate regulatory steps.<br>When a product is so dangerous that no feasible safety standard could possibly make it safer, the Commission can move to completely ban it from sale. |
| . WHAT DOES THE FEDERAL TRADE COMMISSION DO FOR CONSUMERS? | . Invite a representative of the Federal Trade Commission to discuss the work of that agency | . Typical consent orders by which companies agree to cease certain practices are these, |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| . The FTC attempts to prevent false and misleading advertising and unfair business practices. | and its expanded role in recent months. What types of action does the agency involve itself in? What can a consumer do who is dissatisfied with a product? Should the powers of this agency be expanded?<br><br>. Write for copies of the Federal Trade Commission News Summary. Most of the actions are of the "cease and desist" type in which proceedings are brought against a company which then agrees to stop whatever practices are thought to be illegal or unfair.<br><br>. The major criticism of the FTC is that it is difficult to punish offending firms or to stop them from repeating the same offending practices under a new name. It is felt that to "cease and desist" is a mere slap on the wrist. Should greater penalties be assessed? | taken from recent actions:<br>- failure to describe the finance charges in advertisements<br>- order to discontinue claims for false performance and uniqueness<br>- order to cease making false weight and inch loss claims by health studios<br>- forbidding description guarantees by automobile dealers<br>- prohibiting deception. |

## CONSUMER CONCERNS

Perhaps the greatest problem consumers have is the lack of information needed to make wise choices. Despite the plethora of advertisement and trade literature, the marketplace has been so saturated with products and services offered that consumers are unable to keep abreast of the merits and demerits of each. One author has estimated that there are 250,000 distinct typies of consumer goods on the market. Catologues of Sears-Roebuck and Company describe almost 100,000 types of commodities. Eugene R. Beem, writing in "The Plight of the Consumer" states:

> ...Philadelphia families, in a recent year, were using 54 brands of packaged coffee, 86 of butter, 39 of fresh milk, 52 of laundry soap, 122 of face powder, 49 of safety razor blades, 32 of automobile tires, 71 of electric toasters, and 51 of vacuum cleaners. The differences among brands may be in content, package, or merely label — but which, the typical consumer does not know. The brand selection problem is further complicated by the fact that qualities are constantly changing — allegedly for the better, but the uninformed buyer can never be sure. ...
>
> When it comes to buying personal services, the problem is equally bewildering. The Philadelphia phone directory lists about 900 enterprises offering plumbing services by registered master plumbers, about 450 enterprises offering roof building or repairing services, and 250 carpentry enterprises, over 3,600 physicians and surgeons and over 1,800 dentists.
>
> A consumer is entitled to the best quality good available for the money he wishes to spend, but the uninformed buyer has little more chance of finding it than he has of winning the prize in a lottery contest. He may, through trial and error, or the word of a friend, find a satisfactory product or service, but even when he does there is often available a better product or better service for the money he has to spend if he only knew where to find it.

To be sure, advertising and personal selling attempt to inform the consumer about the *merits* of a product or service. However, these methods fail to inform consumers fully about the product *defect* or how the product may be inferior to competing products. Again quoting from Eugene R. Beem in "The Plight of the Consumer":

> Advertising and personal selling are major sources of guidance for most consumers. At their best, these instruments may inform consumers fully as to the *merits* of a given product. Unless there are industry-wide standards or grades, these selling devices usually reveal nothing of the product's defects, and nothing as to how the product may be inferior to goods of competing firms. The purpose of advertising and personal selling is to make sales, and the producer, accordingly, presents only the complimentary aspects of a product, much as an attorney presents in court only the aspects of a case which are favorable for his client.

> Unfortunately, much advertising and personal selling falls short of informing consumers fully and truthfully about the merits of even a single product. The Federal Trade Commission spot-checks advertising in newspapers, magazines, mail order catalogues, and radio and television broadcasts. Among 238,000 advertisements examined during the 1970 fiscal year, 8,000 plus appeared to be untruthful. Among the catalogues of 50 mail order houses, 178 advertisements were marked for investigation. While the percentage of misleading advertising indicated above is small, (3.4 percent), it must be remembered that the F.T.C. checks only what *appears* to be *seriously* misleading claims. F.T.C. studies probably underestimate the extent of deceit in advertising, since even reasonable claims made in an advertisement may prove unwarranted when they are checked against the producer's product. A great deal of advertising, of course, is truthful but not informative. Its purpose is merely to create goodwill by keeping the name of a particular brand or producer before the public. ...

Similarly, fault might be found with labels, which are often meaningless. For example, olives are designated as standard, medium, large, extra large, mammoth, giant, jumbo, colossal, and super-colossal. Pity the poor consumer who looks to labels to help in choice-making!

Despite the vigilance of the Food and Drug Administration there is a persistent problem with respect to food products, drugs, and cosmetics. Perhaps the public expects too much in terms of the size of the staff and the powers delegated to this agency. With thousands of firms to inspect and a limited staff it is unrealistic to think that strict sanitary standards can always be maintained.

## The Matter of Service

In other days when the number of mechanical products owned by a consumer were few and of relatively simple design, the problems of service were not so aggravating. Years ago a washing machine, for example, had no automatic timer. What few problems it developed could often be solved by the owner. Today our homes are crowded with highly complex instruments. The average homeowner lacks both the knowledge and the instruments needed to fix them when they break down. The one-radio family has been replaced by the family with two or three television sets, and four or five radios. It is not unusual for a family to have 20 or 30 electrical devices, including an oil burner, electric range, electric hot water heater, electric can opener, electric blanket, freezer, and refrigerator. Additional appliances may include an air conditioner, a blender, broiler, carving knife, coffee maker, deep fryer, dishwasher, egg cooker, fan, fry pan, hot plate, mixer, microwave oven, roaster, sandwich grill, sewing machine, toaster, trash compactor, vacuum cleaner, waffle iron, and waste disposer. Outside will be found a power mower, hedge clipper, sprinkling device, and possibly a pool filter and pump.

The workshop may contain a power saw, electric drill, electric sander, router, and other power tools. In the garage stand one, two, or even more cars, each engine compartment crowded with complex machinery. Automobile repairs constitute one of the chief sources of complaints received by the Consumer Affairs offices of State and Federal government. Calls to the Office of Consumer Affairs alone average about 100 a month on major appliances and 400 to 600 on cars.

A number of studies have been completed by such agencies as metropolitan and state consumer protection boards and by national magazines such as Reader's Digest. The survey by the latter organization revealed that 63 percent of the garage repairman failed to find a simple fault (a loose wire) and charged as much as $24.60 for repair of nonexistent faults. A similar experience resulted when watches and radios were taken for repair. In the watch repair cases, the consumers were cheated 49 percent of the time and in the radio repair experiments the investigators were cheated 64 percent of the time. Dishonesty was greater in large communities then in small.

Public Questioning of the Market System

So serious are the problems of lack of confidence that even the leaders of business are concerned.

James M. Roche, recent chairman of General Motors Corporation stated:

> "...The dull cloud of pessimism and distrust that some have cast over free enterprise...makes it urgent that those of us who are in business, who have made business our career, who are justifiably proud of our profession, that we stand up and be counted. It is up to us to reaffirm our belief in free enterprise."

Indeed there is a growing skepticism about such things as poor quality products, unsafe products, costly repairs, planned obsolescence, articles that go out of style rapidly, and misleading advertising. Some even question whether the present market system can continue to serve society's needs. New laws are passed, stricter enforcement is called for, yet consumers fret.

No field of enterprise has been so questioned as advertising. Among the complaints against advertising are these:

- phony testimonials
- misleading trademarks and labels
- the use of superlatives and hanging comparatives such as "best motor car made" or "cleans better"
- claims of quality that make no difference in the use of a product
- poor and misleading information.

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| . REACTION TO CONSUMER PROBLEMS | . Considering the problems listed on the preceding pages; how does the class react? | |
| . Consumers clamor for safety but may ignore warnings or circumvent safety devices. | . Consumers clamor for safety, but when steps are taken to make products safer do consumers respond affirmatively? | |
| | . For example, cars must now be equipped with safety belts, yet many consumers fail to use them. Even when an interlocking device prevents the car from starting until belts are fastened, consumers find ways to circumvent the device. | |
| | . Make a list of other ways in which consumers fail to use safety devices provided. These might include:<br>- using a coin in place of a fuse<br>- overloading electrical circuits<br>- using electrical devices without proper grounding or in hazardous places such as a bath tub<br>- ignoring warnings regarding safety in the use of power mowers<br>- ignoring warnings about safe preservation and storage of food. | |
| . Consumers demand more informative labels and information | . Inquire of class members whether they use unit pricing and open | |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| but may not use it when provided. | dating of products which the Office of Consumer Affairs worked hard to secure. If not, why not? | |
| . Relation of price and quality | . Evidence shows that even when the nature of ingredients and their price per unit is known to consumers, these facts are often ignored in making a purchase decision. For example, consumers still tend to regard price as a guide to quality, rather than quality alone. Consider the experience of Macy's, which put out cold cream, the equivalent of $1 jars of well-known brands, and offered it at 49 cents. Demand was poor. When the price was raised to 54 cents and later to 69 cents sales climbed substantially. Discuss with the class to what extent they use price as a guide to quality. | . Price is not the only guide to quality although many consumers continue to follow this guide.<br>. Leinwood, Gerald, "The Consumer," Pocket Books, New York.<br>. Refer to issues of Consumer's Research, Consumers Union, or Changing Times for evaluation of quality as it relates to price. |
| | . Consumer Reports in "The Medicine Show," states that "the only significant difference among brands of aspirin, plain or buffered, is price." Despite the well-published study, how many consumers buy aspirin on the basis of price alone? | . "The Medicine Show," Consumer Reports, Consumers Union, Mt. Vernon, New York. |
| | . Many studies maintain that private label brand foods are as good quality as national brands. Yet people persist in paying 20 percent or more for national brands. Why? | |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | . Conduct a panel discussion with merchants, housewives, and students participating. Elicit their views in regard to consumer demand as it relates to price and quality, the need for greater product safety. | . Lamb, Ruth de Forest, "American Chamber of Horrors," Farrar and Rinehart, New York. |
| . WHAT IS THE BIGGEST SINGLE CONSUMER CONCERN?<br><br>. Inflation and the dread of an accompanying recession is the biggest concern. | . Have pupils discuss their understanding of what inflation means. How has it been reflected in the price of the goods and services they buy?<br><br>. Make a display of prices of one year or two years ago and of today. (Food prices are expected to rise 15 percent this year and possibly an additional 10 percent in 1975.)<br><br>. Follow the news bulletins of the conferences on inflation. Are those consulted on economic matters in agreement as to what should be done to control inflation? What do class members feel should be done? Explore each suggestion of the class to see what the short-and long-range effects would be. For example, if utility rates are held down and no money is available to build new plants and facilities, what may be the effect in 10 or 15 years? If prices are frozen at present levels and manufacturers are not able to make a profit, what will the effect be? | . Inflation is an increase in the volume of money and credit relative to available goods, resulting in a substantial and continuing rise in the general price level.<br><br>. Prices are now rising on an average of 12 percent a year.<br><br>. The 23 million classed as poor and the millions of elderly living on fixed incomes are hardest hit.<br><br>. Workers, even with periodic raises, find that their take-home pay is down five percent in purchasing power from a year ago.<br><br>. Unemployment now totals 5.3 million, up 700,000 from a year ago.<br><br>. Industries suffering most include real estate, construction, auto manufacturing, and lumber processing.<br><br>. Investors, including the 31 million who own stocks, have lost |

UNDERSTANDINGS

## WHERE PRICES HAVE RISEN FASTEST

*Among Prices Consumers Pay—*

| | Increase Since Controls Ended, April 30, 1974 |
|---|---|
| Fresh cucumbers | 48% |
| Sugar | 40% |
| Lettuce | 36% |
| Bananas | 34% |
| Used cars | 27% |
| Tomatoes | 23% |
| Cotton diapers | 19% |
| Fresh asparagus | 16% |
| Bath soap | 15% |
| Cola drinks | 13% |
| Frozen french-fried potatoes | 13% |
| Fresh carrots | 10% |
| Paper napkins | 10% |
| Reshingling a roof | 9% |
| Newspapers | 9% |
| Canned peas | 8% |
| Laundry soap and detergents | 8% |
| Toilet tissue | 8% |
| Vinyl floor tile | 8% |
| ALL CONSUMER PRICES | [illegible] |

*Among Prices Businessmen Pay—*

| | |
|---|---|
| Sugar and confectionery | 30% |
| Wood pulp | 26% |
| Refined vegetable oils | 19% |
| Plastic resins and materials | 19% |
| Industrial chemicals | 19% |
| Coke | 19% |
| Iron and steel | 15% |
| Fabricated structural-metal products | 15% |
| Railroad equipment | 13% |
| Coal | 13% |
| Domestic crude oil | 11% |
| Paints | 11% |
| Agricultural chemicals | 11% |
| Construction machinery and equipment | 8% |
| Plumbing fixtures and brass fittings | 8% |
| ALL WHOLESALE PRICES | 6% |

**NOTE: All food prices are seasonally adjusted.**

Source: U. S. Dept. of Labor

SUGGESTED PUPIL AND TEACHER ACTIVITIES

If investors are not able to make a profit, where will the money come from to build new plants and produce needed goods? If business is not able to make a profit, where will opportunities for employment come from?

. Appoint committees to study the effects of inflation during the second World War and in Germany during the first World War . Why did it take a wheelbarrow full of money to buy a dozen eggs? Why did people race to the market to spend money as soon as it was received? Could such a situation exist in America?

. What are President Ford's proposals to curb inflation? (Cut the Federal budget, ease interest rates, help sick industries.) What do labor leaders and others propose? How effective are consumer boycotts of industry?

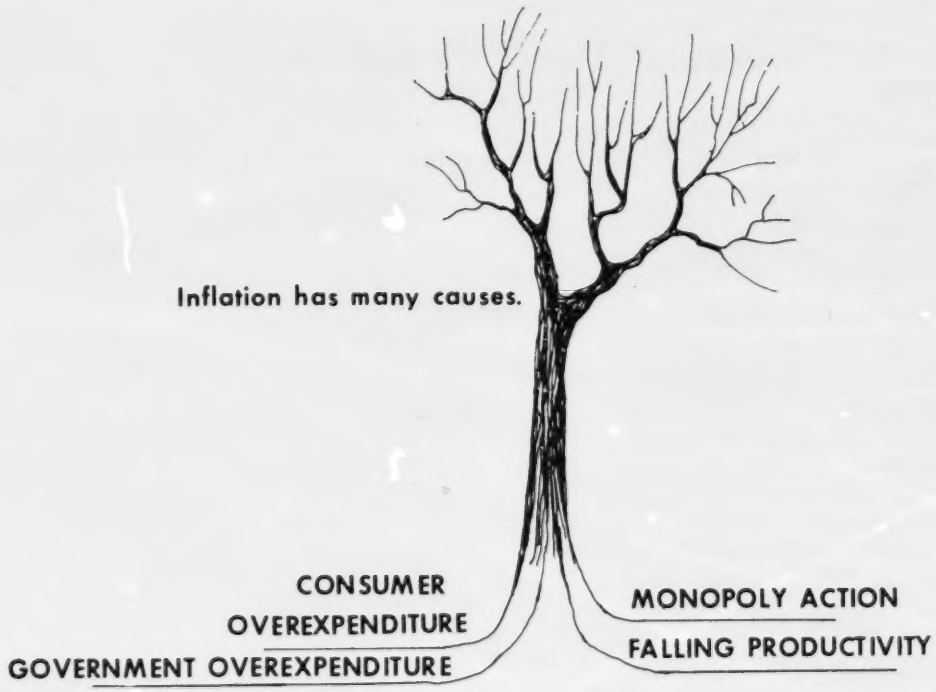
SOURCES

more than 500 billion dollars in paper value since January 1973. A much larger number who do not own stocks directly but whose insurance and retirement funds are invested by others in stocks, have similarly lost billions in paper value.

. The effects on business are dramatic. Many companies are being pushed close to bankruptcy. If they fail, additional millions of people will be out of work.

. Those who work for home builders, resort owners, airlines, utilities, and small businesses have all suffered and may suffer more. Plants of all kinds are beginning to lay off workers. The impact may reach us all.

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| . Governmental action alone cannot cure inflation in the U.S. Inflation is a world-wide problem.<br><br>. Inflation has many causes. Among them are:<br>- overexpenditure on governmental levels<br>- overexpenditure on the domestic level (living beyond one's income)<br>- failure of productive levels to keep pace with rising costs<br>- monopoly action as in the case of Arab oil production | . Can governmental action alone cure inflation or is it also a consumer problem which will call for each of us to spend less, to avoid excessive credit involvement, and to economize more? With gasoline prices nearly doubled since 1973, is the solution to pressure oil producers to lower prices or is it to drive less and reduce prices by lowering demand?<br><br>. It has been suggested that increased productivity is the answer to inflation. If each worker produced more, would that help? | . Two thirds of Federal spending is for **what** are termed "uncontrollable items," i.e., debt service, pensions, social security, medicare, unemployment benefits, veterans' benefits, and food subsidies. Once promises have been made in these areas it is very difficult to restrict them.<br><br>. "Inflated Government: Can Anyone Cut A $305-Billion Budget?" U.S. News and World Report, September 9, 1974. |



| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| - the Mid-East War<br>- crop failures<br>- disappearance of anchovies used as high-protein feed<br>- population boom of poor nations<br>- worldwide rise in consumer demand. | | . Best that authorities seem likely to do is lower inflation rate gradually, expand national output a notch at a time, keep unemployment from shooting out of sight--and hope that other forces beyond their control change for the better. |
| . HOW CAN CONSUMERS MEASURE INCREASES OR DECREASES IN THE PRICE OF LIVING? | . Get on the mailing list for the report of the Consumer Price Index. How often are prices collected? Why is the price of food measured more often than the price of automobiles? How often is the base period changed? In 1967 the present base was estimated at 100. In May 1974 the U.S. Index for all items was 145.6. What does this tell us about the price of goods and services during this time? | . The Consumer Price Index is simply a comparison of the current prices of 400 items to the price of the same items at a given time in the past. Included are those goods and services which the government concludes are representative of the needs and desires of urban wage earners and clerical workers. The components are food, clothing, automobiles, homes, house furnishings, household supplies, fuel, drugs, recreational goods, services such as fees to doctors, and lawyers, beauty shops, rent, repair costs, utility rates, etc. It deals with prices actually charged to consumers, including sales and excise taxes. It also includes real estate taxes on owned homes, but it does not include income or personal property taxes. |
| . The Consumer Price Index, issued monthly by the U.S. Bureau of Labor Statistics, accurately reflects changes in the cost of living. | | The CPI measures the average change in the |
| . Some labor contracts are tied to the index and wages rise or fall as the index varies. | . If all wages and salaries were tied to the cost-of-living index, would that solve the problem of inflation? | |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | retail prices (what you pay) for these goods. By studying that change, economists are able to measure the rate of inflation and the purchasing power of the consumer dollar. To some extent, economic advisors base their advice on the behavior of the CPI. Labor determines demands for new contracts, in part, on changes they see in the CPI and, closer to home, the Index can be used as a guide to family budgeting. |
| . WHY SHOULD CONSUMERS BE CONCERNED WITH THE COSTS OF MEDICAL CARE? | . From birth to death, costs for medical care and hospitalization have soared. | |
| . Costs of medical care have risen sharply and now constitute a major consumer expense. | | |
| . Childbirth | . Ask parents what costs were for your medical care at childbirth and compare with present costs. For example, at Roosevelt Hospital in New York City, the cost of a four-day maternity hospital stay is $1,200. | . Write for information on funeral costs and health care costs to the Michigan Consumers Council, 414 Hollister Building, Lansing, Michigan 48933. |
| | . Comment on the following quotation from Lewis A. Engman, Chairman, Federal Trade Commission. "Doctors, lawyers, pharmacists and funeral | |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | directors for many years have maintained conspiracies of silence about fees. In some cases the assistance of the state has been obtained to suppress this information. When a consumer is sick, in trouble with the law, or disposing of a relative's remains, he is in no frame of mind to shop around. And yet, that is what he currently is required to do if he wants to compare prices." | |
| . Funeral costs | . The average price for a traditional adult complete funeral is $1,700. | . Staff report, Federal Trade Commission, Washington, D.C. 20580 |
| | "I can't even afford to die with funerals costing so much." | . "A recent study by the Federal Trade Commission identifies some of the problems that confront the unprepared funeral buyer. Although the survey was confined to Washington D.C. its findings reflect the national scene.<br><br>"One big obstacle is the inability to shop for the best deal. Services range from the high-priced to the low-priced, but the FTC found that a number of funeral homes don't normally tell consumers about low-priced services. |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | Also, 15 of the 56 undertakers surveyed do not put prices on caskets.<br><br>"And in spite of what most people believe, a more costly casket doesn't entitle you to more services. One of the facts uncovered by the FTC is that each funeral home 'offers exactly the same services in any of the funerals it sells; the only difference between funerals is in the casket used.'" |
| . Medical and hospital costs | . Investigate the costs of maternity care, medical care, and funeral costs in your area. Invite a hospital director, physician, and mortician to an assembly. Prepare questions as to why costs are so high and what can be done to lower such costs. Among the questions might be these:<br>- Is there a tendency to pass along increased costs for hospital operation without questioning whether economies could be effected?<br>- Are costs for drugs and medications excessively high in terms of similar costs in other countries?<br>- Do physicans receive exorbitant incomes?<br>- Is optimum use made of hospital facilities? | . Harmer, Ruth Mulvey, "The High Cost of Dying," Collier Books, New York.<br><br>. "Hospitals and doctor costs have increased 50 percent faster than the economy as a whole and if unchecked could cost Americans an additional $13 billion over the next two years," Casper W. Weinberger, Secretary of Health, Education and Welfare.<br><br>. "Your Health Dollar," Bureau of Secondary Curriculum Development, State Education Department, Albany, New York 12334. |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | - Are patients hospitalized longer than necessary?<br>- Are all the "trimmings" of a traditional funeral necessary? | |
| . WHAT CONSUMER CONCERNS ARE THERE WITH REPAIRS AND SERVICE?<br><br>. Almost every consumer has had occasion to complain about poor performance or poor service. | | . In other days, when products were less complex and almost every householder had to have some mechanical experience, it was less common to hear complaints about service. Today, we are surrounded by a large number of mechanical devices, some of them extremely complex, which require skilled artisans to repair and which are subject to breakdown. |
| . Sometimes consumers are at fault in using poor judgment in picking purchases that do not meet their needs, in failing to follow manufacturers' directions, or in expecting more from the product than could be expected.<br><br>. Manufacturers are often to blame for so cheapening their products that satisfactory service is not to be expected.<br><br>. Service people are sometimes to blame for shoddy workmanship, overcharges, or just plain ignorance in the field in which they are assumed to be competent. | . Ask each class member to make a list of his complaints about poor performance or poor service. Try to consolidate these complaints into categories. In the adult field, home repairs come in for the largest number of complaints, followed closely by automobile, TV, and major appliance repair complaints. Into what categories do students' complaints fall?<br><br>. Select some of the more interesting complaints and try to delve into the facts. Assume that the cases were taken to a Small Claims Court or before an arbitrator. What are the facts? Was false or misleading advertising a factor in the case? | . The following is an actual case taken from the files of "Everybody's Money," Credit Union National Association, Autumn 1974. Note that the case finally went to Small Claims Court and was settled in favor of the consumer:<br><br>"Back in the good old days of 1968, automobiles carried a five year or 50,000 mile warranty. When Ralph Perrotto's 1968 Pontiac started acting up in May of 1973, he didn't expect any necessary repairs to cost him a lot of money. After all, his car was less than five years old and had only 28,000 miles on it. |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| . Competition may force reputable manufacturers with worthy products out of business. For example, most TV's, sewing machines, and radios are now made abroad where lower wages prevail. Sometimes shoddy workmanship is the hallmark of such products. | . Did the buyer exercise reasonable care and judgment in the purchase and use of the article?<br>. Visit a Small Claims Court to see how similar cases are handled. Then set up your own such court and "try" some of the interesting cases. Appoint one class member to represent the seller and one the buyer of each article. Try to separate fact from feeling to determine the true merits of each case. | "He took the car to his Cleveland, Ohio dealer, whose mechanic repaired a defective camshaft. The repair was covered by the auto's warranty.<br><br>"However, when Perrotto picked up the car, it still was not working properly. When he conferred with the mechanic, he learned that the engine had been carbonized by the defective camshaft and needed to be decarbonized. This would take one more day in the shop and then his car would be in tip-top-shape. Perrotto understood that the additional work would be covered by the warranty, since the problem was caused by the defective camshaft.<br><br>"Imagine his surprise when the dealer presented him with a bill of $146.44 for the engine's decarbonizing!<br><br>"When Perrotto refused to pay the bill, the dealer informed him he would not get his car back. The dealer claimed the decarbonizing was not covered under the warranty and that the manufacturer would not reimburse him.<br><br>"Although Perrotto did not pay the bill, he |

**'That's more for repairs then I used to pay for a new car"**

did take his car. He intended to settle the matter with a manufacturer's representative, but before he could arrange an appointment, the dealer took him to Small Claims Court for the $146.44.

"Meanwhile, the car was acting up again. When Perrotto contacted the manufacturer's Detroit office, he was told to return the car to the same Cleveland dealer for repairs. He did and the problem—defective pistons—was corrected under the warranty. But this time the dealer kept the car, saying he would not return it until Perrotto paid the outstanding balance of $146.44.

"When the case reached the Small Claims Court docket, the dealer's attorney told the judge that the dispute was between the consumer and the manufacturer, that the consumer should pay the dealer and then sue the manufacturer. Perrotto presented his side, telling the court that the dealer led him to believe the work would be done under warranty.

"Two weeks later the judge ruled in

**At last there is an inexpensive way for the little fellow to get justice in business dealings inexpensively**

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | Perrotto's favor. The dealer appealed the decision—and the case was dismissed." |
| . IS THERE A PROBLEM OF MISLEADING ADVERTISING?<br><br>. It is generally agreed that some advertising is misleading and deceptive.<br><br>. Many people have come to the point where they view all advertising with skepticism. | . Is it true that consumers are more sophisticated and want honesty in advertising, or do they still accept such things as planned obsolescence to give them an excuse to buy a new product?<br><br>Are phrases such as "giant-sized quart" and "best buy" acceptable or do consumers really want honest and complete information?<br><br>. Some manufacturers state that consumers really don't care. As examples, they cite the fact that few people use seat belts, that interest in recycling bottles and paper has fallen off, that the only question is "How much do I have to pay down?" when buying a car or appliance. Is it true that open dating of products and unit pricing don't mean much to consumers? If so, should anything be done about the situation? | . Betty Furness, former chairman of the N.Y. State Consumer Protection Board states:<br><br>"The consumer game is a game everybody plays whether they want to or not. The world is roughly divided into two teams. On the one side are the consumers; on the other, the people producing things for them to consume.<br><br>"The consumer game is a difficult game, in part because one team seems to have invented the rules while the other team has been left to guess what they are. The stakes are high, both teams have to put up money, but the one team has the advantage of putting up other people's money while the consumers put up not only their money, but also their health, safety, and convenience.<br><br>"Between the two teams sits the product. On one side of it is the team that made it, disguised its flaws, and is offering it for sale, wise in what it can and cannot do and precisely who it is |

Consumers sometimes fail to use safety devices.

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | . Show the color film "Consumer Power - Advertising," from BFA Educational Media, 2211 Michigan Ave., Santa Monica, California, 90404. | aimed at. On the other side of the product is the team that is doing the buying, with or without enough information to make the best buy for their particular needs. |
| | . Does the class agree with the consumer or industry points of view reflected? What can consumers do about advertising that is not informative or is misleading? | "Let loose on our own, too many of us have discovered shirts that weren't washable, right after we washed them; fabrics that couldn't take heat, right after we ironed them; and colors that weren't color fast, after they'd ruined an entire wash. These discoveries were expensive and irritating, and when we did complain about them we got little satisfaction. As a matter of fact, unless we were very insistent we were usually ignored. |
| | If you would tell me what you want I'd build it. If you would build what I want I'd buy it. PRODUCT IMPROVEMENT PRODUCER CONSUMER UNSATISFACTORY PRODUCT | "If we are to survive it will be because we have learned to be responsible toward each other. And this, in terms of the buyer and seller, involves developing a dialog. It is not just a matter of consumers making demands—or of business listening. We have to learn to do both things well. None of us can survive without the other. We are locked together in a remarkable struggle. The outcome may depend on just how honest we |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | can learn to be with each other. And that may be the real consumer revolution." |
| . WHAT IS BUSINESS DOING ABOUT DECEPTIVE ADVERTISING? | . Make a study of advertising. How much of it is incomplete, deceptive, or fraudulent? Write to the companies with poor advertising policies and point out what is wrong with their advertisements. Keep a folder of their answers and forward the folder to the Federal Trade Commission for action. | . An unnamed vice-president of Mc Conn-Erickson Inc., recently wrote: |
| . Enlightened businessmen are in the forefront of the movement to improve the quality of advertising. | | "Consumer exploitation is a losing strategy. It is a losing product strategy, it is a losing marketing strategy, and, indeed, it is a losing business strategy. |
| . More and more businesses have set up agencies to handle product disputes including misleading advertising. | . Examine the list of agencies on the following page which have recently been set up to handle complaints. Does it appear that business is becoming more responsive to consumer unrest? | |

Advertisers will henceforth be required to substantiate claims.

In July 1971, the FTC announced a new program that required submission of substantiation for advertising claims. Upon issuance of a substantiation order, advertisers were required to submit material within sixty days of the order. The material was then put on the public record.

The two basic goals of this program were: education and deterrence. The Commission believed that public disclosure of the substantiating (or non-substantiating) material would assist consumers in evaluating advertising claims.

Everyone has been in the situation of deciding which product to choose from a parade of similar products, each claiming to be the best. Often consumers are led to believe that such claims are substantiated by scientific tests, studies, and other documented proof. But consumers don't really know which one is really best or whose claims are backed up by actual proof.

## INDUSTRY'S RESPONSE TO CONSUMER COMPLAINTS

### Furniture Industry

If you have a furniture product dispute, try to settle it with your retailer. But if you can't, try FICAP, the Furniture Industry Consumer Advisory Panel. The Southern Furniture Manufacturers Association, whose members manufacture more than one-third of all U.S.-made furniture, set up FICAP to mediate consumer complaints. If you have a complaint that can't be solved locally, send it and all pertinent data (name of manufacturer, retail store, purchase date, style number and copies of correspondence concerning the matter) to Margaret Ward, FICAP, Box 951, High Point, North Carolina 27261. (FICAP only handles product complaints; it does not get involved in credit disputes.) Your letter will be sent to the manufacturer, and he will inform FICAP of action taken. If you're not satisfied with the outcome, it's up to you to notify FICAP. Then the panel will render an opinion, which you can present in court, if that becomes necessary.

FICAP's acceptance by manufacturers is "very, very good. Fewer than 10 percent of the complaints actually reach the panel; the others are solved before this step is necessary." Currently FICAP is processing 75 to 100 complaints a month, some of them against non-FICAP members. Ward says that some manufacturers are hanging FICAP tags on their products; she expects a greater number to adopt this practice in the near future.

### Mail Orders

The Direct Mail Advertising Association, 230 Park Avenue, N.Y., N.Y., 10017, guarantees satisfaction when you order by mail from a DMAA member firm. If after a reasonable time the company in question has failed to solve the problem, the DMAA will intervene in your behalf. This organization represents 1,600 member firms.

This organization also agrees to remove the names of patrons from unsolicited "junk" mail lists, upon request. According to the Credit Union National Association, however, it took several requests before this was done.

### Carpet and Rug Industry

The carpet and rug industry has set up a consumer panel (CRICAP) to help resolve consumer complaints. Those unable to solve problems in these fields are invited to write to their headquarters at Box 1568, Dalton, Georgia 30720.

### Major Appliances (MACAP)

If you have an unsettled dispute regarding a major appliance (compactors, dehumidifiers, dishwashers, disposers, gas incinerators, home laundry equipment, humidifiers, ranges, refrigerators, freezers, air conditioners,

and water heaters) try this agency. The major function is to act as an intermediary between the consumer and the business. The panel will step in and get the attention of the highest level of management when consumers may often give up in frustration and confusion in attempting to settle a dispute. Write to MACAP at 20 North Wacker Drive, Chicago, Illinois 60606.

## Consumer Arbitration

Customers with unresolved complaints about goods and services provided by Montgomery Ward & Co. may now take those complaints to arbitration in a new pilot project initiated by the company.

Considered as arbitrable disputes are such things as interpretation of warranties and guarantees, an alleged product defect, improper service or repair, an alleged erroneous billing of charges, and a failure to deliver within reasonable time in accordance with the agreement of the company and the customer.

Arbitration procedures will begin whenever a customer and the store are in disagreement over a purchase or service and have exhausted regular complaint-handling procedures. The new project applies to both retail and catalog sales.

## Magazine Subscriptions

Consumers experiencing problems with their magazine subscriptions can now contact the Magazine Action Line (MAL), a service provided by Publishers Clearing House. MAL promises to resolve any magazine subscription problem to the customer's satisfaction without charge.

MAL suggests that readers first try to settle their problems directly with the magazine or subscription service. If that fails, send a short note to Magazine Action Line, Publishers Clearing House, 382 Channel Drive, Port Washington, New York 10050.

## Airline Transportation

HELP FOR THE GROUNDED. In the event you are stranded late some night at an airport far from home, what obligation does the airline have to take care of you? Contrary to a widespread impression, under Civil Aeronautics Board rules, the airline has no responsibility at all if your flight is canceled because of mechanical problems, weather, or safety considerations. Most of the major airlines do provide "amenities" in such cases--a free meal, a night's lodging, a telephone call home. But the CAB's only requirement is that first class and coach passengers receive equal treatment.

Still, since situations vary widely, you may feel an airline owes you more than it delivered. If so, you can carry your complaint to the CAB. Just write: Office of Consumer Affairs, Civil Aeronautics Board, 1825 Connecticut Avenue, N.W., Washington, D.C. 20428.

# ON THE OTHER HAND —

The following is an excerpt from a book by Rose Dewolf "Consumers Aren't All Angels Either," Du Pont *Context*, Vol. 2, No. 1, (1973), pp. 9-10.

Oh, I know whose side I'm on...I'm a consumer. I bow to no one in my antagonism to useless warranties, fraudulent claims, garbled instructions, hidden flaws, and ridiculous computers which threatened to have me arrested if I don't pay $0.00 right away. If I feel affronted, I can holler for Ralph Nader as loud as anyone. And yet...

Every once in a while, much as I try to fight it, I feel a twinge of sympathy for merchants, manufacturers, and providers of service. Every once in a while, though I feel like a traitor, I want to jump up and say: 'You know, consumers can be pretty rotten, too.'

Consumers are not all angels. They include in their numbers those who would quite cheerfully cheat, steal, lie and/or behave with incredible stupidity. There, I've said it and I'm glad.

Take the 'switchers,' for example. Those are the people who take the price tag from a cheap item and put it on an expensive item before taking the expensive item to the salesclerk. They hope the clerk will be too busy to notice and will sell the goods at a 'bargain' price the store hadn't really counted on.

Switchers are everywhere. I once saw this very dignified-looking gentleman craftily switch the lids on a jar of cashews. The prices, you see, were stamped on the lids. The man intended to buy his cashews quite literally, for 'peanuts.'

And I have seen a dear little housewife slip a pound of butter into an oleomargarine box, assuming that the check-out clerk would never check. She assumed wrong. All check-out clerks know that trick.

One time I merely mentioned the word 'consumer' to a friend of mine who works for a supermarket and the poor guy went bananas. [On special, that week.]

'Consumers!' he wailed. 'I'll tell you about consumers. They buy magazines, take them home and read them, then return them for a refund claiming their husband bought duplicates...they demand to get five cents back on the five-cents coupon without buying the product first...they finish off bars of candy or bottles of soda while they walk through the store and then don't mention it when it comes time to pay'...

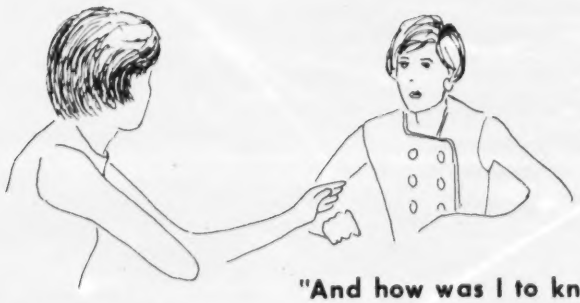
Consumers complain about high food prices and then insist on buying every convenience food on the market. They yell about too loud commercials and then don't buy the products advertised on soft ones.

The government says motorists will be safer if their cars buzz until the safety belts are fastened. But car-buyers by the hordes are threatening dealers with mayhem unless the buzzers are unhooked. [The dealers are prohibited by law from complying.]

Consumers are just not always happy with what is being done *for* them. Frankly, I have to admit that I was a lot happier before packages of hot dogs had to admit right out in public that they contain ground-up cow's lips. Ycchh. Do we have to know EVERYTHING?

I'm not trying to say that the fact that the consumer can be, in his turn, greedy, dishonest, unappreciative, and just plain stupid, in any way excuses commercial interests for being the same. As my mother used to say, 'Two wrongs don't make a right.'

Still, fair is fair and somebody had to speak out. And now that I have gotten that out of the way, I can get to all these complaint letters I'm preparing for Ralph, and Virginia, and my local office of Consumer Affairs.



**"How was I to know that the cart I took home cost $40, which had to be made up by charging more."**

**"And how was I to know I'd get caught switching tags on those fur coats? The judge acted as though I were a thief."**

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCE |
|---|---|---|
| . WHAT IS THE ANSWER TO THE PROBLEM OF UNSATISFIED CONSUMERS?<br><br>. The most important tool to achieve product satisfaction is education; the informed consumer is armed with the most potent tool to choose and to achieve satisfaction with his purchase. | . Discuss the problems of unsatisfied consumers. List the sources of dissatisfaction on the chalkboard. Is lack of information on which to judge a purchase a major item? If so, what suggestions does the class have for remedying this situation? | . Maurice H. Stans, Secretary of Commerce, recently stated:<br><br>"Generally speaking, Americans are already the most knowledgeable consumers in the world. Our advertising and marketing network keeps us constantly advised of an unending stream of new products in order to assure a demand for them. But the great variety of these products, and especially their high technology content, makes value comparisons extremely difficult for the average buyer. And that comparison is made even harder, if advertising is inaccurate, warranties are confusing, performance is obscured or overpromised. He needs to know ingredients, performance characteristics, durability, the upkeep required, and many other properties of these complex products.<br><br>"The main job should be done by business. No one knows the characteristics of products better than those who make them. And the facts that are relevant to a purchaser must be fully disclosed. This can be done in many ways—through honest advertising, through |
| . Many companies have taken steps to solve consumer complaints. Presumably they will respond to consumer pressure. | . Make a bulletin board display of advertisements that indicate companies are trying to solve consumer complaints.<br><br>. Gather examples of instances in which pupils are pleasantly surprised by the treatment they received when they complained of products or services. | |
| . Consumers, too, are often to blame for purchases that turn out unhappily. | . Questions for discussion:<br>- How do consumers abuse businessmen?<br>- Do you think that this is a new tendency, or have some consumers always been dishonest?<br>- If consumer dishonesty is increasing, what reasons would you deem are responsible for the increase?<br>- Do consumers really want to be protected? How about the examples given by Rose deWolf?<br>- Should business be tougher with dishonest consumers, just as consumers are calling for a tightening up on business malpractices? | |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | - What might be done to discourage such dishonesty? | education programs, through well-trained salesmen, through point-of-sale tags, and other means. The consumer will, of course, make his own decision, but the information must be readily available." |
| . HOW CAN THE CONSUMER MAKE WISE CHOICES IN A BEWILDERING WORLD OF RAPIDLY CHANGING PRODUCTS?<br><br>. The consumer can insist on better information from the manufacturer.<br><br>. The consumer can turn to testing agencies that have the facilities to determine qualities needed to make a product superior.<br><br>. The consumer can demand that companies stand behind their products. | . In response to consumer requests for better information, more and more companies are furnishing adequate information about their products. For example, one washer manufacturer hangs an instruction tag on each machine. It describes the machine, gives the model number, describes the features the machine has, tells you what you need to install the machine, and tells how much electricity, water, and time it uses. On the back of the tag are safety precautions and an easily understandable warranty. Compare this information with that furnished on other products. Write to the makers of products furnished with insufficient information and tell them what information is lacking. Report your findings to the class and to the Federal Trade Commission. | . "The housewife once had to make the simple choice among cotton, wool and silk fabrics; today she faces a whole array of synthetic fibers with many different characteristics.<br><br>"The great danger to business comes not from the well-informed consumer, who will tend to be a satisfied customer because he has had the opportunity to make sound value judgments on the merits of products. This person will be business's best friend and a strong supporter of free enterprise. Rather, the danger to business is the *uninformed* consumer, whose rage is directed at all business when he discovers that he has bought a third-rate product that does not measure up and may be backed by a warranty which promises much in the big print and takes it away in the fine print. |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | "This person is business's worst enemy and can hardly be expected to applaud the system." —Betty Furness |
| . The consumer can demand redress for market abuse. | . Ralph Nader was first on a national scale to show that it is possible to get redress for market abuse. Increasingly class action suits and the use of Small Claims Courts have multiplied. Is it likely that greater use will be made of these resources? | . "The consumer will get nothing for which he does not fight, however socially minded the agents of government may be... If there is no pressure on government from people as consumers, there is little likelihood that their interests as consumers will be effectively represented." —Gardner Means |
| . The consumer can demand, and manufacturers provide, products that:<br>- Have fewer repair problems | . Ford Motor Company is reported to have so simplified maintenance that stenographers of the company are able to follow simple directions and maintain Pinto cars. Is this the type of product and service manual that consumers should demand of other products? | . "As to possibility of repair, the experiences of consumers indicate that designs differ widely. At one extreme, parts that are most likely to wear out or develop malfunctions may be located where they can be readily reached for repair or may be made in such a way as to be readily detached and replaced. At the other extreme, such parts may be unreachable without complete disassembly of the product or may be inseparable from other important parts. Designs of the latter type may sometimes exist for good reason —because design for easy repair or replacement would entail excessive costs in |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | manufacture or would be incompatible with good performance by the product. But such designs probably exist also for bad reasons: Manufacturers have considerable incentive to hasten replacement of consumer inventories by designs that make repair or replacement of parts difficult. If repair or replacement of parts were made easy wherever there are no serious obstacles of cost or performance, product failures probably would be less serious and demands upon service organizations probably would be reduced."—Corwin D. Edwards. |
| - Have been better inspected | . One problem of consumers is that products are usually sold in sealed containers and not until the product is used are defects apparent. Should better inspection be possible before purchase? | . "No matter how well a product is designed and how carefully it is made, some end products will still be defective; and the frequency of such defects is likely to increase with the complexity of the design and the number of the parts. Without adequate inspection, the defective products will reach consumers. Apparently they often do. The National Commission of Product Safety attributed the numerous injuries from glass bottles partly to inadequate inspection. But what consumers know about such |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | inadequacies pertains chiefly to the automobile industry. A study of 10,000 cars by the Automobile Club of Missouri showed that nearly 44% of the then current 1968 model that had been driven less than 500 miles had potentially dangerous defects." Ibid. |
| - Have better warranties | . Gather examples of meaningless warranties or those that are so restricted that they offer little protection to the consumer.<br><br>. Automobile manufacturers used to offer five-year warranties. Now the common limit is 12 months. Should such warranties by extended over the reasonable life of the product?<br><br>. View the color film, "Consumer Power - Whistle Blowing," from BFA Educational Media, 2211 Michigan Avenue, Santa Monica, California 90404. How does the class react to the examples of how industry was forced to change production patterns as a result of consumer demand? | . "The content of the warranty is too narrow. In extreme cases, the warranty is designed to reduce rather than enlarge the liability for defective goods that the supplier incurs under the commercial code. Significant defects in construction or performance are often not covered. Liability is often limited to replacement of defective parts, excluding labor costs incident to the replacement. Responsibility for damage that results from malfunction is seldom included.<br><br>. "The warranty's duration is unduly limited. It covers an early part of the product's life, in which malfunction seldom appears, and ends before bad performance develops as a result of bad workmanship or bad materials. |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | . Make a bulletin board display of unsatisfactory warranties. | . "Procedures that are prescribed for invoking the warranty are unduly burdensome. For example, the consumer may be required, at his own expense, to disassemble the product and ship a defective part to a distant location. |
| | . Do the suggestions of the Federal Trade Commission officials listed in the source column seem satisfactory? Is it reasonable to ask manufacturers to meet these criteria? | . "Liability under the warranty is unilaterally determined by the producer, without provision for impartial decision about conflicting claims. |
| | . If warranties were strengthened as suggested undoubtedly the additional costs would be passed on to consumers. Would such warranties be worth the additional costs, or would consumers rather take a chance and discard items that fail? | . "Action by the warrantor is unsatisfactory. Claims are arbitrarily rejected or ignored; warranty provisions are unreasonably interpreted; or performance is unreasonably delayed. |
| - Have guaranteed performance. | . Some observers say that consumers are glad to have an excuse to discard items and buy newer models. Is such planned obsolescence really desirable, or do we want an excuse to buy a new car or appliance? | . "The basic principle that should be expressed in a warranty is that the warrantor fully warrants the performance of his goods. This is the principle underlying the Uniform Commercial Code, which attributes to a contract of sale an implied warranty that the goods are fit for the ordinary purposes for which such goods are used. But that code, with questionable propriety, permits the warrantor (cont. p. 43) |

"Was I ever glad that my husband couldn't fix the old refrigerator; you know how much I have wanted a new avocado one."

IS BUSINESS RESPONSIVE TO COMPLAINTS?

The advertisement that is reproduced below is the statement of one company. It indicates that business is responsive not so much out of sense of duty or fair play, but rather out of necessity. Does the class agree or disagree with this theory?

The list of things wrong with business in this country is almost endless. Nearly as long, in fact, as the list of what's right with it.

Perhaps the most frustrating thing about business, for those who keep trying to shoot it down, is this: Corporations are so tenacious that they will even do good in order to survive. This tenacity goes beyond the old maxim that man, in his greed for profit, often unavoidably serves the public interest. In times of crisis, business will even do good *consciously* and *deliberately*.

Nothing could be better calculated to confound business's critics than this underhanded tactic. The Marxist dialectic has it that capitalism must inevitably founder in its own inherent contradictions; that it contains the seeds of its own destruction. But business also contains the seeds of its own adaptation and survival.

Businessmen are pragmatists, and with their daily feedback from the marketplace, they readily abandon dogma whenever their survival instinct tells them to. It has become less and less a question of what they *want* to do or might *like* to do, but of what their common sense and survival instinct tell them they *have* to do.

Remember the Edsel? That was one of the fastest plebiscites in history. But it wasn't the American public that took the loss; it was the shareholders of Ford Motor Company. (Then, you'll recall, Ford changed course and bounced back with the Mustang, which quickly showed its tailpipe to the competition by breaking all sales records for a new make of car.)

Because it is keyed so closely to the marketplace and so responsive to it, private business is necessarily the most effective instrument of change. Some would call it revolutionary. Many of those who attack business fail to comprehend its constructive contributions to responsive change. And this sort of change is one of the basic reasons business manages to survive.

Not *all* businesses survive, of course The record is replete with companies that expired because they didn't adapt rapidly enough to a new milieu.

While businessmen as a whole are not exactly social reformers, they do respond to criticism and to sustained social pressures. The alert businessman regards such pressures as a useful early warning system. The danger is that criticism can become a mindless reflex action that persists long after the basis for it has been dissipated.

Partly because of its ability to adapt—which is simply another word for responsive change—private business remains the most productive element in our society and on balance the best allocator of resources. If you decide to draw a bead on it, remember you're aiming at a moving target. Because, as we've said here before, business is bound to change.

Mobil

HOW TO MAKE A COMPLAINT

Many consumers have given up hope of getting satisfaction on complaints. They feel that the complaint-handling procedures often seem designed to wear down consumers so that they give up before satisfaction is secured. It does take patience to secure satisfaction. There are also certain steps that will help speed action. Ralph Nader, founder of the Public Interest Research Group, suggests the following steps:

"1. First, go to the store or dealer where you bought the product. The seller is usually closer to you than the manufacturer and may be more sensitive to your problems. He may also back you up if and when you do contact the manufacturer.

"2. If complaining to the seller fails to bring results, go straight to the top: write to the president of the auto dealership or the manager of the department store. Send your letter to the president of the manufacturing company or to the chairman of the board. This alerts top management that complaints do exist—and referral from the top may also make lower-level personnel less inclined to bury your letter. You can obtain the addresses of most major corporations, and the names of the officers, in the Standard and Poor's reference books in your local library.

"3. The complaint letter should include: your name, address, and phone number; the name and location of the store where you bought the product, and the date of purchase; the product make, model number, and any other identifying information; description of the problem and the seller's efforts, if any, to resolve it.

"4. Describe your inconvenience, any damage caused by the defect, and the price you paid.

"5. Include supporting documents: copies of repair bills, previous letters to seller or manufacturer, notes of phone conversations, and pertinent dates.

"6. State your request for repair or other action in concise and positive terms; avoid sounding either apologetic or too angry.

"7. Send carbons of your complaint letter to your two senators and your representative. For example, Senator Gaylord Nelson (D., Wis.) initiated the first tire safety legislation after letters from constituents alerted him to the problem. And Senator Warren Magnuson (D., Wash.) and Congressman Benjamin Rosenthal (D., N.Y.) have launched similar drives with the help of citizen letters.

"8. Inform government officials, beginning with the Office of the President. The White House should be made aware of consumer complaints. The President and his advisers take the public's pulse by the number of letters the White House receives on various issues. (Consumer complaint mail is usually channeled to Mrs. Virginia Knauer, the President's Assistant for Consumer Interests, Washington, D.C."

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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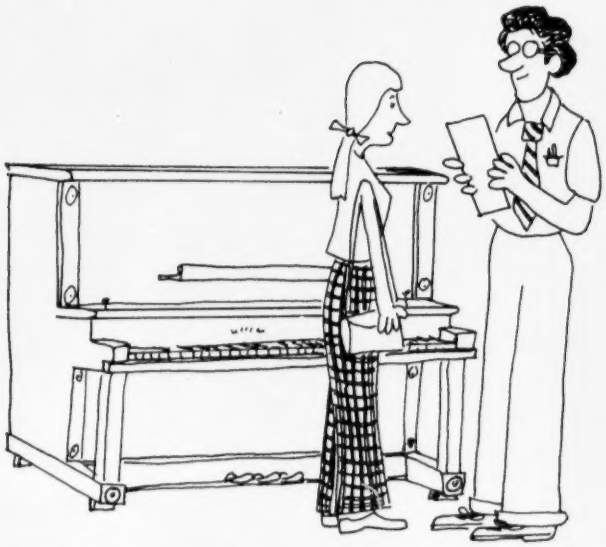
| | | to reduce this implied warranty by explicit disclaimers." Ibid. |
| . WHAT IS THE FEDERAL TRADE COMMISSION DOING TO HELP CONSUMERS FIGHT DECEPTIVE ADVERTISING? | . Ask students to view TV, listen to radio, read newspapers, and observe store front advertisements. Report those advertisements that seem deceptive to the class. Have students explain why they feel the advertisements are deceptive. | . The Federal Trade Commission was established by Congress to protect the public from abuses caused by unfair competition and unfair and deceptive business practices. It is authorized to act in situations where consumers are being deceived or treated unfairly, as well as to stop business practices which hurt competition. |
| . In recent months the FTC has intensified its program to curb deceptive advertising. | . Describe techniques and gimmicks used by the advertising industry. | |
| . The FTC publishes a guide to deceptive advertising. | . The FTC guide to deceptive advertising is based upon whether the advertisement is false and whether misrepresentation leads to loss of money or involves a threat to consumer health or safety. Which advertisements fall into this category? | . Lindmer, "Economics for Young Adults," pp. 17-25<br>. The Commission can issue Trade Regulation Rules which specify which business practices are considered unfair to consumers and violate the laws enforced by the Commission. These rules are issued after hearings at which both consumer groups and members of industry present their views on the problems in a given area, such as supermarket advertising, door to door sales, the delivery of mail order items, etc. The Commission also issues industry guides which advise businessmen as to what constitutes a good business practice. |
| . Other agencies are available to help consumers. | . Why do consumers need the protection of state, city, and Federal agencies? | |
| . The FTC is interested in deceptive schemes involving young people. | . The FTC is interested in receiving ads from teenage magazines or comics which might contain deceptive statements. Make a folder of such ads and send to the FTC for comment. | |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| | | . Secure a copy of "Reference Material on Consumer Deception and Protection" from the nearest FTC office. |
| . The FTC is taking more aggressive action to curb deception. | . Make a list of activities in which the FTC has had a prominent part which help to correct consumer abuses. These might include:<br>- The Truth in Lending Law<br>- The Fair Credit Reporting Act<br>- Regulation of Door-to-Door Sales<br>- Regulation of Supermarket Specials<br>- Deceptive Advertising and Guarantees<br>- Deceptive Bait and Switch Advertising<br>- Deceptive Price Reductions Labeling<br>- Unordered Merchandise<br>- Regulation of Vocational Schools | . In addition to these preventative measures, the Federal Trade Commission halts false advertising and other unfair trade practices through orders, either voluntarily agreed to or as the result of adjudication, and in certain instances, regarding the advertising of food, drugs, and cosmetics, through preliminary injunctions. |
| . Students can take effective action against deception. | . The Paramus, New Jersey, High School has set up a student-run center to take consumer complaints and do something about them. Complaints are received from students, parents and the general public. Each case is discussed. If there seems to be a case for the consumer, calls are made to the merchant. While the body has no legal authority, often the threat of a report to the FTC is sufficient to move the merchant to action. Consider setting up such a center in your school. | |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
|---|---|---|
| . Publicity is a weapon against deception. | . Produce a bulletin on Consumer Deception in which complaints are compiled and suggestions are made to avoid future problems. Most merchants do not like such publicity and will go to great lengths to avoid practices that bring them into disrepute.<br><br>. See "The Docket" on the following page. It is an illustration of cases handled by the FTC. | |



**"Sorry, you will have to return the piano to the factory if you want repairs made under the warranty."**

The following are examples of regulatory actions taken to protect consumers. They are from a regular feature of *Consumer Reports* entitled, "The Docket."

**The regulatory actions reported here have been selected from many such taken every month. Consent orders and assurances of voluntary compliance or discontinuance obtained by regulatory and enforcement agencies directly or in court do not constitute a finding or an admission that the companies or individuals violated the law or that the allegations in the complaint are true.**

### *Job-placement outfits told to halt false claims*

The Federal Trade Commission ordered seven affiliated employment agencies in California, New York, Pennsylvania and Massachusetts to quit making false claims about themselves and their executive placement programs.

An FTC examiner found that, contrary to claims, the agencies did not operate the world's largest executive placement service, nor did they guarantee clients placement in better-paying jobs. Also, contrary to claims, there was a financial risk on the part of clients, who had to deposit from $500 to $2500 and often didn't get it back if they decided to withdraw from the program.

The examiner found that the companies seldom, if ever, had current job openings appropriate for prospective clients. The companies persuaded many clients to contract for vocational and psychological tests with an independent testing organization, without disclosing that they received a rebate, the examiner found. He also said that a prospect's qualifications and probable success in being placed were not factors in the companies' decision to accept him; they accepted anyone who was willing to sign up and pay a deposit.

Named in the FTC order were five concerns called Career Search International, Inc., in New York City, Wellesley, Mass., Pittsburgh, Washington, D.C., and Beverly Hills, Calif. (all previously called Harvard Executive Research Center, Inc.) and two companies named The Executive Center, Inc., in New York City and Wellesley. Arthur M. Shain, chairman of the board of directors and the sole or majority stockholder of all seven firms, was also cited.

### *Alaska Sleeping Bag Co. ordered to make refunds*

Shortly after CU's report on down-filled sleeping bags appeared in the February issue, a number of readers complained about delays in receiving orders and problems in obtaining refunds from the Alaska Sleeping Bag Co., Beaverton, Ore., one of whose bags was among those tested. The Federal Trade Commission received similar complaints, and, as a result, has ordered Alaska Sleeping Bag to be more prompt with deliveries or else make refunds.

The FTC accepted a consent order under which the company must automatically make full refunds to future customers whose orders are not shipped within three weeks, unless a longer delivery period is specified in its catalogs or the customer has agreed in writing to a specified delay. The company was given until June 9 to fill back orders or else make full refunds. The following disclosure must appear prominently in all catalogs mailed for the next two years: "Customers who have not received the ordered merchandise or a refund within 30 days or any longer period of time designated in this catalog may write to: P. O. Box 13202, Seattle, Wash. 98111."

### *Contact-lens solutions found to be contaminated*

The Food and Drug Administration ordered retailers to stop selling 1000 four-ounce bottles of *Sterile C-Clear* contact-lens soaking solution and 1000 two-ounce bottles of *Sterile C-Clear* contact-lens cleaner after they were found to be contaminated. About 400 quarter-ounce bottles of the cleaner, some of which were distributed to optometrists and ophthalmologists for promotional purposes, were also recalled. Both are products of R. M. Labs., Inc., Broomfield, Colo.

The FDA said that the soaking solution contained coliform, pseudomonas and other bacteria. Pseudomonas is a microorganism that reproduces rapidly in corneal tissue. It can infect and injure eye tissue within 24 hours. The cleaner was not sterile and contained high levels of particulate matter, the FDA said. In addition, some 400 promotional bottles of the cleaner and 1000 regular bottles each of the soaking solution and the cleaner were already in the hands of users at the time of the recall. The products were distributed west of the Mississippi River.

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| . WHAT OTHER AGENCIES PROTECT THE CONSUMER?<br><br>. Governmental agencies | . Identify the governmental agencies to help consumers and the areas in which they work. Determine what information is necessary before they will take a case and what the procedure is in making a claim.<br><br>. Write Consumer Forum for a sample of their newsletter detailing the nature of the activities they carry on. | . Consumer Protection Board, Alfred E. Smith Building, Albany, N.Y. 12225.<br><br>. Food and Drug Administration, 850 Third Avenue, Brooklyn, N.Y. 11232 - (212) 788-5000<br><br>. New York State Attorney General, 2 World Trade Center, New York, N.Y. 10048 (212) 488-7530<br><br>. City Department of Consumer Affairs, 80 Lafayette Street, New York, N.Y. 10013<br><br>. Nassau County Office of Consumer Affairs, 1600 Old Country Road, Mineola, N.Y. 11501<br><br>. Consumer Forum, 238 Main Street, Buffalo, N.Y., 14201<br><br>. Local district attorney. |
| . Private agencies | . Survey your community and make a list of the public and private agencies to help consumers. Write a brief description of the functions of each. Distribute the list to members of the school community to help them secure aid in consumer conflicts. | . Almost every community has one or more private agencies to help consumers. Some of these are organized by radio stations, some by newspapers, some by neighborhood action groups, and some by private individuals. |
| . Better Business Bureaus | | . While the Better Business Bureau is not officially a consumer agency it is helpful in identifying |

| UNDERSTANDINGS | SUGGESTED PUPIL AND TEACHER ACTIVITIES | SOURCES |
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| | | firms against which claims have been lodged and is sometimes able to mediate consumer claims. |
| . Small Claims Courts | . See if your community has a Small Claims Court. If so visit the court to see how cases are handled and what the costs are. (Ordinarily, costs for filing are $5 or less.) No attorney is needed and no appeals are possible from the decision.<br><br>. Set up a mock Small Claims Court to adjudicate real or simulated problems in the school community. | . The following are the locations of the Small Claims Courts in the New York metropolitan area:<br><br>. New York County (Manhattan), 111 Centre Street, New York, N.Y. 10013 - 566-3824<br><br>. New York County (Harlem), 170 East 121st Street, New York, N.Y. 10035 - 369-8811 (Funded by Harlem-East Harlem Model Cities)<br><br>. Kings County (Brooklyn) 120 Schermerhorn St. Brooklyn, N.Y. 11201 643-8180<br><br>. Bronx County 851 Grand Concourse Bronx, New York 10451 293-6500<br><br>. Queens County 120-55 Queens Boulevard Kew Gardens, N.Y. 11415 544-9300<br><br>. Richmond County 927 Castleton Avenue Staten Island, N.Y. 10310 - 442-8000 |